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## Judge Dismisses Securities Fraud Claims Against Texas Attorney General

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For the second time in six months, a federal judge dismissed securities fraud charges against WilmerHale client Texas Attorney General Ken Paxton. *The Wall Street Journal* reported the dismissal as a “wholesale defeat” of the Securities and Exchange Commission (SEC), which had brought the claims in a civil suit.

US District Judge Amos L. Mazzant III sided with Paxton’s defense, led by Partner [Matthew Martens](#), which argued that Paxton had no fiduciary obligation to reveal his compensation arrangement when he was introducing prospective investors to the technology company Servergy Inc. in the summer of 2011.

“The judge’s decision again reaffirms that Ken Paxton did not violate securities laws,” Martens said. “We are very pleased with this decision; it should lay to rest these accusations.”

Last October, Judge Mazzant issued a similar opinion conditionally dismissing the civil case against Paxton. The SEC filed an amended complaint, which the judge dismissed with prejudice this month. In the latest decision, the judge noted that the case had not changed since it was dismissed last October because Paxton still had “no plausible legal duty to disclose his compensation arrangement with investors.”

In addition to Martens, Partner [Jaclyn Moyer](#), Counsel [Alyssa DaCunha](#) and Associate [Kevin Gallagher](#) were part of the WilmerHale team representing Paxton.